

DECLARATION OF MICHELLE BROZEK
Pursuant to 28 U.S.C. _ 1746

I, Michelle Brozek, have personal knowledge of the facts and matters discussed in this declaration, and, if called as a witness, I could and would testify as follows:

1. I am over the age of twenty-one (21) and am competent to give this testimony.
2. I am employed as Operations Manager with the Better Business Bureau serving Central and Northern Alberta ("Edmonton BBB"). Our offices are located at 888-9707 110 St, Edmonton, Alberta, Canada. Our services area covers Central and Northern Alberta along with parts of the Northwest Territories, Eastern British Columbia, and Western Saskatchewan.
3. The Edmonton BBB is responsible for processing consumer complaints about companies located in our region. To assist consumers who file complaints with us regarding disputes with businesses, we forward their complaints to the business for a response. By collecting information from both parties, we work with both sides toward a resolution to the complaint. We also produce reports on companies in our region, including businesses that are not BBB Accredited. These reports include: the number of complaints the Edmonton BBB has received about a company; a breakdown of the issues the complaints raised; how, if at all, the company has responded to complaints; and information about the company (such as how long it has been operating), which the company has provided to us and/or that we have obtained from other sources, and did or attempted to verify with the company. These items are key factors in the algorithm that determined a company's rating, which is part of each report. BBB reports are available to the public free of charge, and are posted online on our websites:

www.edmonton.bbb.org and www.bbb.org.

Declaration of Michelle Brozek

Page 1

4. Beginning in March of 2010, our office began to receive consumer complaints about a company conducting business online using the name Swipe Bids and later Swipe Auctions (collectively referred to as "Swipe Bids"). Swipe Bids offered consumers the opportunity to participate in "penny auctions". Online penny auctions require consumers to purchase bids in order to participate in an auction; once a bid is placed, it is used regardless of whether the consumer wins or loses the auction. Consumers who participate in penny auctions do so in the hopes that they can win big ticket items at a fraction of the cost they would pay at retail store.

5. From March 2010 to February 2011, our office received approximately 1100 consumer complaints about Swipe Bids. Due to Alberta's strict privacy regulations, we were unable to proceed with complaints from consumers who did not give us consent to release their name and contact information for purposes of resolving their complaint. Thus, of the nearly 1100 complaints we received, the Edmonton BBB processed approximately 529 complaints about Swipe Bids.

6. The Swipe Bids complaints followed a consistent pattern. Most consumers complained that the company had made unauthorized charges to their credit cards or bank accounts. These charges included unauthorized upfront "membership fees", which were typically \$150 (USD). Some consumers also disputed \$11.95 (USD) for a monthly bid plan that Swipe Bids automatically enrolled them in when consumers registered to participate in the Swipe Bids penny auction. Many consumers also complained about the company's pattern of delaying, denying, or disregarding their refund requests, even when those requests complied with the company's written refund policy.

7. Initially, Swipe Bids was unresponsive to complaints that BBB forwarded to the company. On July 13, 2010 the company contacted BBB regarding their rating, which at the time was an F due primarily to unanswered complaints. Edmonton BBB prepared complaints details for all complaints that were closed Unanswered and provided them to the company. Some of the complaints were then closed as unresolved as the company did not address all of the concerns or refund all of the amounts owed to the consumers. Others were closed as the company indicated they would refund the amounts or cancel the consumer's enrollment in the monthly continuity plan for bids. Some of these complainants confirmed their acceptance of the company's response, and some did not respond to BBB at all. In August 2010, a "Standard Business Questionnaire" was sent to the company to verify that the information we currently had on file was correct. The questionnaire noted that the company still had an F rating, the lowest possible BBB rating. True and correct copies of our August 17, 2010, letter to Swipe Bids and the questionnaire are attached to this declaration as **Attachment A**.

8. Along with consumer complaints, the Swipe Bids website indicated the company was a Utah-based entity owned by Terra Marketing Group. There were a number of similarities between this website and the previous online sites owned and operated by Mr. Willms, who the Edmonton BBB was already familiar with. Mr. Willms' previous online companies, including 1021018 Alberta Ltd (trade name Just Think Media but o/a Dazzle White, Acai Burn, Wu Yi Source, among others) and 1016363 Alberta Ltd (o/a eDirect Software) had reports with more than 2,500 complaints concerning product, billing, refund and exchange, and contract issues, including unauthorized charges to consumers credit cards or bank accounts. A true and correct copy of the Edmonton BBB's Reliability Report for 1021018 Alberta Ltd, as of today's date, which shows an F rating is attached to this declaration as **Attachment B**.

Declaration of Michelle Brozek

Page 3

9. Our suspicion about Mr. Willms' involvement was confirmed after we conducted a number of Corporate Registry Searches, both in Alberta and the states of Utah, Colorado and California. The company's website indicated Terra Marketing Group under the "contact us" section, with an address in Utah, which we confirmed to be a UPS location. The company quickly changed their website to indicate they were Sphere Media LLC, located in Colorado, which also appeared to be a UPS location. We began our corporate searches with these names, which eventually led us to 1524948 Alberta Ltd, owned solely by Jesse Willms and operating out of the same address as his previous companies in Sherwood Park. A true and correct copy of the Corporate Registry information we obtained is attached to this declaration as **Attachment C**.

10. In addition to submitting the updated questionnaire, Swipe Bids submitted a letter and written presentation to the BBB on August 17, 2010, seeking a review of its F rating and addressing a pattern of complaints that the BBB informed them of. These Swipe Bids materials were sent by Hardie Schmitt, a Swipe Bids "advertising executive", to one of my staff, Rayn Fraess. The purpose of the presentation, which included a legal opinion letter from Swipe Bids' attorney, was to explain the company's billing practices and refund policies. True and correct copies of the letter and accompanying materials are attached to this declaration as **Attachment D**.

11. On September 3, 2010 we received another presentation from Mr. Schmitt. In his cover letter, he advised us that Swipe Bids had just changed its name to Swipe Auctions because "it more accurately captures the essence of the site as well as it will help alleviate customer confusion and differentiate ourselves from the many other 'bid' sites on the [I]nternet today." The presentation attached to his letter analyzed the consumer complaints that the company had received and included statistics about the nature of those complaints. A "complaints breakdown" bar chart submitted showed that approximately 90% of complaints were characterized as "unaware of cost" disputes; another 7% were characterized as "refund unavailable". The presentation

attempted to downplay the number of BBB complaints about Swipe Bids by comparing them to the complaint statistics for other companies, including much larger businesses like eHarmony and Classmates.com. True and correct copies of the letter and accompanying materials are attached to this declaration as **Attachment E**.

12. Despite the presentations and Swipe Bids' claims that it had revised its website to make its cost disclosures clearer, BBB continued to receive consumer complaints. The company currently has a D- rating. A true and correct copy of the current Edmonton BBB's reliability report as of today's date for Swipe Bids is attached to this declaration as **Attachment F**. This rating is based on several factors that contribute to the algorithm set for BBB's rating system. In Swipe Bids' case, factors relevant to its D- rating include the length of time the business has been operating, the number of complaints filed against the business and the number of unresolved complaints. In addition, Swipe Bids stopped issuing refunds to consumers in November 2010. At that time, the company informed the BBB that it had lost its merchant processing provider, which, according to the company, prevented it from providing refunds to aggrieved consumers. With the loss of the merchant processing provider, the company told us that they would instead provide consumers with a dispute form that the consumer could take to their financial institution to receive a refund.

13. As a result of the voluminous number of complaints we received about Swipe Bids, in August 2010, the Edmonton BBB published a consumer alert about online penny auctions. This alert, "BBB Consumer Tip – Penny Auctions", warned consumers that "penny auction sites can have initial sign up fees and confusing terms and conditions". A true and correct copy of this alert is attached to this declaration as **Attachment G**.

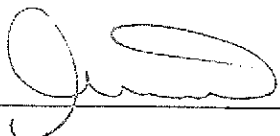
Declaration of Michelle Brozek

Page 5

14. The Edmonton BBB also regularly issues a monthly and yearly "Top 10 Complaints and Inquiries" press release that identifies the industries for which the BBB received the most complaints and inquiries during those time periods. Our press releases are sent to media outlets for radio, television, and print in our service area. For the year 2010, businesses in the "Internet Auction Service" category received the second-highest number of consumer complaints, driven almost exclusively by the complaints we received about Swipe Bids that year. Since March 2010, when we first began receiving Swipe Bids complaints, all but one of the 530 complaints that the Edmonton BBB processed in this industry concerned Swipe Bids. A true and correct copy of the "BBB 2010 Annual Top 10 Complaints and Inquiries" is attached to this declaration as **Attachment H.**

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on March 14, 2011



Michelle Brozek



Better Business Bureau of Central and Northern Alberta
888, 9707 110th Street
Edmonton, AB T5K 2L9
Tel: (800) 232-7298 Fax : (780) 482-1150

August 17, 2010

Jesse Willms
1524948 Alberta Ltd
204 85 Cranford Way
Sherwood Park, AB T8H 0H9

Every three years our office updates basic company information that we provide to inquirers regarding your firm.

Please take a moment to review your past business profile and make any corrections that may be necessary. We encourage you to use our ONLINE FORM to update your basic information. The URL (website address) below will take you directly to this form on our website:


<http://hurdman.edmontonbbb.org/sbq> (UserID: 156691 Passcode: pd26vky)

You may also complete the attached form and mail or fax it to us. Your cooperation in providing us with some basic background information on your firm would be greatly appreciated. A response within (10) business days is needed. Having an accurate report on file with the Better Business Bureau is a benefit to your company and the community that we serve. This is not a solicitation for any money or an invitation for accreditation with the BBB. It is simply a service we are providing your potential customers.

Sincerely,

Operations Department

Brozek Attachment A

 Better Business Bureau – Business Profile Questionnaire <i>Please verify that the following information regarding your business is complete and accurate. This form may not contain ALL the information the BBB has on file for your business. Please visit our website to view the complete file and make changes to this information. In the case that you do not have access to the Internet, please make your changes directly on this form and return it to the BBB.</i> To update your information, please visit : http://hurdman.edmontonbbb.org/sbq (UserID: 156691 Passcode: pd26vky)		For BBB use only: BBB File # :156691 Printed: August 17, 2010 RC: Rating: F FOD: 2010-06-07
Business Name 1524948 Alberta Ltd		
Other Names Attached to Your Business (Doing-Business-As, Operating Names, etc...) Terra Marketing Group Swipebids Swipebids.com Sphere Media LLC		
Main Location 204 85 Cranford Way Sherwood Park, AB T8H 0H9	Other Locations	Mailing Address 204 85 Cranford Way Sherwood Park, AB T8H 0H9
We have the ability to correspond with your business by MAIL, EMAIL, or FAX. Which of these methods do you prefer (circle one)? eMail Mail Fax Your file is currently configured to correspond by : eMail		
Use the following space to indicate which person, address, email address, or fax number we should forward consumer correspondence to. Please include any special instructions as to how you would like your correspondence sent (ie: all correspondence to one location etc..) qacustomersupport@gmail		
If your firm qualifies, would you be interested in BBB accreditation? Yes-No-Maybe (Circle one)		
Gross annual sales (BBB Internal use only) Currently: 0.00 (circle one) (\$1-\$999,999) (\$1M-\$19,999,999) (\$20M-\$99,999,999) (\$100M-\$999,999,999) (\$1B-\$9,999,999,999) (\$10B-\$49,999,999,999) (50B+) Annual # of Customers (BBB Internal use only) Currently: 0 (circle one) (1-499) (500-49,999) (50,000-99,999) (100,000-999,999) (1,000,000-9,999,999) (10,000,000-49,999,999) (50,000,000+)		
Telephone Numbers 866 336-6735 Main Reported 866 389-3870 Reported	Fax Numbers	Email/Web Addresses www.swipebids.com www.swipebidscs.com support@swipebids.com
Owner/President/CEO (Include title) Jesse Wilms Owner		Partners/Managers/Other Contact People (Include title) Mrs. Susan Roy, Customer Support Specialist
Your business is a (circle one): unknown Corporation Proprietorship Partnership Limited Franchise Distributorship Non-Profit Other		
When was your business incorporated? March 2010	Incorporated in the state or province of... AB	# of employees 20
		Date your business originally began operations March 2010
		Date your business locally began operations March 2010
Type of Business Classification (*Indicates primary classification) Shopping Service-Protective, Comparative *Internet Auction Service		Please provide business & trade license numbers, dates and issuing agency
Briefly describe your business' products/services SwipeBids.com is an online auction site where users compete for the opportunity to purchase brand name products.		
Please provide all the information above that applies to your business. The above information is used in our general reporting to the public. This will enable the BBB to provide a more accurate and reliable report to the thousands of consumers who use the BBB as a source for pre-purchase information. We invite you to use our website to review and update your information on a regular basis. If not provided below, please contact the BBB for a user name and password for this site. http://hurdman.edmontonbbb.org/sbq (UserID: 156691 Passcode: pd26vky) 888 Capital Place, 9707-110 St, Edmonton, AB T5K 2L9 Phone: (780) 482-2341 Fax: (780) 482-1150 Toll Free: (800) 232-7298 Website: www.edmontonbbb.org		

BBB[®] Serving Central and Northern Alberta
888, 9707 110th Street
Edmonton, AB T5K 2L9
(800) 232-7298
www.edmontonbbb.org

BBB Reliability Report for

1021018 Alberta Ltd

BBB Rating F

BBB issues Reliability Reports on all businesses, whether or not they are BBB accredited. If a business is a BBB Accredited Business, it is stated in this report.

BBB Accreditation

Businesses are under no obligation to seek BBB accreditation, and some businesses are not accredited because they have not sought BBB accreditation. This business is not a BBB Accredited Business.

BBB Rating

Based on BBB files, this business has a BBB Rating of F on a scale from A+ to F.

Factors that *lowered* this business' rating include:

- BBB concerns with the industry in which this business operates.
- 2629 complaints filed against business
- Failure to respond to 38 complaints filed against business.
- 701 complaints filed against business that were not resolved.
- Overall complaint history with BBB.
- Government action(s) against business.
- Advertising issue(s) found by BBB.
- Length of time business has taken to resolve complaint(s).
- BBB does not have sufficient information to determine how long this business has been operating. BBB made two or more requests for background information from the business. BBB has not received a response from this business and/or has not been able to verify information received from this business.
- BBB does not have sufficient background information on this business. BBB made two or more requests for background information from the business. BBB has not received a response from this business and/or has not been able to verify information received from this business.
- BBB does not have sufficient information to determine size of business. BBB evaluation of business is based on rating formula's smallest size classification.

At this time the BBB has received a large number of complaints on this company. Most complaints are regarding consumer order of a free trial sample of the product. In some cases, the 'free' sample is never received and the consumers are charged the full membership fee and monthly auto shipments. Many consumers have indicated they were not aware they were signing up to a membership program. Consumers have also indicated that they have sometimes been signed up for products or services from

Brozek Attachment B

<http://www.bbb.org/edmonton/business-reviews/health-and-medical-products-scientifically-...> 3/8/2011

third party companies.

The company's many websites make cancellation procedures appear fast and easy. In reality, customers report that cancellation requests are ignored, calls are not returned, credit cards continue to be charged, and unwanted product shipments continue to arrive.

This company's free trial is conditional upon accepting their offer for additional product. All information should be disclosed along with the free trial solicitation.

Regardless, many consumers overlook the advisory and are unaware of the charge until their next monthly credit card statement. In this company's case, consumers complain they are unable to cancel services by using the instruction provided by the company. Some consumers state that they are unable to contact the company at all. The consumers state that emails are not returned or acknowledged and calls are not returned. Industry guidelines require marketers to provide a fast easy method of canceling, either by mail, phone, or website. Failure to do so may be a violation of consumer protection laws.

Most credit card issuers will allow the cardholder 60 days to dispute an unauthorized or inaccurate charge. Review your monthly statement carefully. If you discover a charge which is unfamiliar, investigate and dispute the amount with your card issuer as soon as possible to protect yourself from making unwanted purchases.

Complainants allege misleading advertising, unauthorized credit card charges, receipt of unwanted merchandise, and difficulty implementing cancellation procedures. Some complainants allege that they agreed to a trial offer only, and was not aware they were enrolled in a continuity program.

Customers complain after repeated attempts to cancel, shipments are stopped, but the company continues billing them monthly.

Most consumers have stated that the company sold or gave their information and credit card number to another entity called "Living Lean" who also charged their credit cards for products or services.

Based on BBB files, this company has an unsatisfactory record with the BBB due to a pattern of complaints. The complaints concerned product issues, delivery issues, refund issues, and customer service issues. The BBB Contacted the company in an attempt to address the issues, however, the company has failed to correct the underlying reason for the complaints.

Business Contact and Profile

Name: 1021018 Alberta Ltd

Phone: (888) 948-5508

Fax: (780) 416-0218

Address: 201, 85 Cranford Way

Sherwood Park, AB T8H 0H9

Website: www.premiumwhiteultra.com

www.edirectsoftware.com

www.quickprofitkit.com

www.trials.idolhealth.com
www.ultimatepurelift.com
www.theacaiberriesreview.com
www.idolwhite.com
www.creditreportamerica.com
www.downloadmusicinc.com
www.dazzlewhitemax.com
www.premiumwhitepro.com
www.acaiforcext.com
farendservices.com/index.html
mikesrippedcombo.com
www.onlinecashsuccesskit.com
www.changingsizes.net
www.absoluteacaiberry.com
Exfatkid.com
www.acaiforceext.com
www.acaislimplus.com
www.purecleansepro.com
www.acai-burn.biz
www.celebswhiteteeth.com
www.cathysteeth.com
dazzle-white.org
www.newpureacaiburn.com
www.teethcs.com
www.acaiburn.com
dazzlewhite-teethwhitening.blogspot.com
www.earncashfastwithgoogle.com
www.vibrantsmilekit.com
www.acaiburnmax.com
www.earncashfromgrants.com
wuyisource.com
www.ToothWhiteningResult.com

www.DazzleWhite.com
www.justthinkmedia.com
www.acaiburnonline.com
www.wu-yisource.com
www.alpinewhiteteeth.com
www.EasyWeightLossTea.com
www.mycreditreportsdirect.com
www.dazzlesmilesupreme.com
www.dazzlesmilepure.com
www.dazzlesmilenow.com
www.celebswhiteteeth.com
www.ultracleanseplus.com
www.acaiforcemax.com
www.guidetosuccessonline.com
www.securityhelpkit.com
www.teethwhiten.com
www.dazzlewhitenow.com
www.dazzlewhitemax.com
www.ws6alert.com/index.php?ntrk=NREF
www.trybrighter.com
www.dazzlewhitepro.com
www.janicesteeth.com
www.dazzlewhiteteeth.net
www.secureinformationresource.com
www.successgrants.com
cellulitesolve.com
www.johncenaworkout.com
www.muscleforce.org
hollywoodteethwhitener.com
www.acaiberry-warning.org
www.maxprofitsecrets.com
www.acaislimexclusive.com

dietpomegranatepro.com
 cleanseuniversal.com
 www.clearliftultra.com
 www.acaislimedge.com
 www.premiumacaislim.com
 mysixpackmethod.com
 www.purerezver.com
 www.cindysteethwhiteningstory.com
 pillsexposed.org
 stevegotrugged.com
 www.acaiburn.org

Principal: Jesse Willms, Owner

Customer
 Contact: Jesse Willms, Owner

Entity: Limited

File Open
 Date: July 2009

Type of
 Business: Health & Medical Products - Scientifically Unproven, Business Opportunity Cos.,
 Coffee & Tea, Computers - Security, Computers Software & Services, Credit Repair
 Services, Credit Reporting Agencies, Dental Equipment & Supplies, Drug
 Manufacturers, Exercise & Physical Fitness Programs, Government Grant Services,
 Grant - Scholarship - Financial Aid Finder Service, Health & Diet Food Products-
 Retail, Health - Natural Alternatives, Internet Marketing Services, Internet Services,
 Internet Shopping Services, Teeth Whitening Services, Weight Control Services

BBB
 Accreditation: This company is not a BBB Accredited business.

Additional
 DBA Names: Government Funded Grants
 Dazzle White
 Muscle Force Max
 eDirect Software
 eDirectSoftware
 DownloadMusicInc.com
 Earncashfromgrants.com
 Wu-Long Source
 Easy Weight Loss Tea Inc
 Pure Cleanse Pro
 Pure Lift Cream
 AcaiBurn
 Wu-Yi Tea
 Wu-Yi Source
 Wu Yi Tea Source

Credit Report America
Earn Google Cash
Guide to Success Online
Security Help Kits
Ultra Cleanse Plus
Dazzle Smile Pro
Farend Services Ltd
Dazzle Smile
Earn Cash Fast with Google
Secure Information Resource
Pure Rezver
Farend Services Limited
Success Grants
Acai Force Max
Acai Slim
Clear Lift Ultra
JDW Media LLC
White Smile
Dazzle Pro
Premium White
Just Think Media
E-Z Kit
Quick Profit Kit
Ultifreshwell
Celebrity White Teeth
Idol White
Premium White USA
Clean White
Brighter Teeth Whitening System
VibrantSmile
Alpine White
Dental White

BBB has requested basic information from this company but has not received a response. As a result, BBB may not have current information about the company.

Info on company location:
2184 Channing Way #322
Idaho Falls, ID 83404

This location was found to be a PO Box at a UPS store.

This company states that their International Address is:
Vasilissis Freiderikis
33, 1st Floor
P.L. 1066, Nicosia, Cyprus

The BBB fully encourages consumers with difficulties to use the BBB complaint reconciliation

<http://www.bbb.org/edmonton/business-reviews/health-and-medical-products-scientifically-...> 3/8/2011

process.

But in addition to filing a complaint with the BBB, the BBB STRONGLY suggests that consumers with concerns about this business contact the following organizations:

Service Alberta
3rd Fl-10155 102 St North Field Services, Licensing
Edmonton, AB T5J 4L4

Phone: (780) 427-4088
Toll Free (In Alberta): 1-877-427-4088
Website: www.servicealberta.gov.ab.ca

Complaints can be filed online.

Competition Bureau
50 Victoria St
Hull, QC K1A 0C9

Phone: 1-800 348-5358
Fax: 819 997-0324
Website: www.competitionbureau.gc.ca

Complaints can be filed on-line under the "Contact Us" section of the website and they can also be faxed or mailed in.

The Internet Crime Department of the FBI.
Website: www.ic3.gov
Complaints can be filed online

FTC (Federal Trade Commission)

Mail:
Federal Trade Commission
Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580

Phone toll-free: 1-877-382-4357

Website: www.ftccomplaintassistant.gov

Complaints can be filed online

Products and Services

<http://www.bbb.org/edmonton/business-reviews/health-and-medical-products-scientifically-...> 3/8/2011

We urge caution before agreeing to trial offers or giving your credit card number to unfamiliar companies with unfamiliar products. Although this company's offer is advertised as free, the charge imposed for shipping and handling of the product, actually makes the offer NOT free. Once your credit card number has been provided to cover shipping and handling, it will remain on file with the seller for shipping and billing purposes. If you forget to cancel, or for any reason fail to do so, your card number is readily available for future shipments of the product.

"Living Lean" subscriptions is owned and operated by Selfhelpworks, Inc.

The website for Selfhelpworks, Inc. is www.selfhelpworks.com

Selfhelpworks
135 west Spruce Street
San Diego, CA 92103
US
619-296-1801

You can find the companies full report at www.sandiego.bbb.org
Business Management

Additional company management personnel include:

Mark Adamson - Manager
Shaun Reily
Dr. Alvin Gibbons - Founder of PillsExposed.org
Dave Willms
Linda Willms
Nolan Paquette
Julie Parks

This company is owned by Jesse Willms. He also owns another company 1524948 Alberta Ltd. A separate BBB report is available here:

<http://www.bbb.org/edmonton/business-reviews/shopping-service-protective-comparative/swipebids-in-sherwood-park-ab-156691>

Additional Locations and Phone Numbers

Additional Addresses

Multiple Addresses - click to show / hide

- + AB (4)
- + CA (4)
- + CND (3)
- + CO (2)
- + FL (1)
- + IA (2)
- + ID (2)
- + MT (2)

<http://www.bbb.org/edmonton/business-reviews/health-and-medical-products-scientifically-...> 3/8/2011

- + NY (1)
- + ON (1)
- + PHL (1)
- + TX (1)
- + UK (1)

Additional Phone Numbers

- + 780 (2)
- + 800 (3)
- + 866 (4)
- + 877 (1)
- + 888 (5)

Additional Email Addresses

sales@farendservices.com
service@wuyisource.com
wuyisource@hotmail.com
markcustomersupport@gmail.com
wuyisource@gmail.com
customersupport@gmail.com
teahelp@usa.com
rb26adamson@hotmail.com
support@downloadmusicinc.com
shalyncustomersupport@gmail.com

Licensing

This company is in an industry that may require licensing, bonding or registration in order to lawfully do business. BBB encourages you to check with the appropriate agency to be certain any requirements are currently being met.

This company is in an industry that may require professional licensing, bonding or registration. The Bureau encourages you to check with the appropriate agency to be certain any requirements are currently being met.

For more information on what certification or registration requirements must be satisfied, please contact the Alberta Career Information Hotline at 1-800-661-3753 or visit their website at www.alis.gov.ab.ca. CERTinfo provides information about occupations that are governed by law in Alberta.

Customer Complaint History

When considering complaint information, please take into account the company's size and volume of transactions, and understand that the nature of complaints and a firm's responses to them are often more important than the number of complaints.

BBB processed a total of 2629 complaints about this company in the last 36 months, our standard reporting period. Of the total of 2629 complaints closed in 36 months, 301 were closed in the last year.

Advertising Issues

Resolved

- 3 - Company resolved the complaint issues. The consumer acknowledged acceptance to BBB.
- 4 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.

Unresolved

- 1 - Company failed to resolve the complaint issues through BBB voluntary and self-regulatory process.

Administratively Closed

- 1 - BBB determined the company provided proper verification that indicated there was no obligation to resolve the issues of the complaint.

No Response

- 5 - Company failed to respond to BBB to resolve or address the complaint issues.

Contract Issues

Resolved

- 1 - Company resolved the complaint issues. The consumer acknowledged acceptance to BBB.
- 3 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.

Administratively Closed

- 1 - BBB determined the company provided proper verification that indicated there was no obligation to resolve the issues of the complaint.

Billing or Collection Issues

Resolved

- 318 - Company resolved the complaint issues. The consumer acknowledged acceptance to BBB.
- 1269 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.
- 7 - Company offered a partial (less than 100%) settlement which the consumer failed to acknowledge acceptance to BBB.
- 9 - Company resolved the complaint issues, but not within BBB's timeframe.

Unresolved

- 676 - Company failed to resolve the complaint issues through BBB voluntary and self-regulatory process.

Administratively Closed

- 158 - BBB determined the company provided proper verification that indicated there was no obligation to resolve the issues of the complaint.
- 9 - BBB determined that despite the company's reasonable effort to address complaint issues, the consumer remained dissatisfied.
- 2 - BBB determined the company made a reasonable offer to resolve the issues, but the consumer did not accept the offer.

- 1 - BBB determined that while the company addressed the complaint issues, the complainant was dissatisfied and the matter was outside BBB Rules of Arbitration.
- 22 - The parties could not provide sufficient information to support their positions nor were they agreeable to make reasonable efforts toward resolving the issues of the dispute.

No Response

- 4 - Company failed to respond to BBB to resolve or address the complaint issues.
- 1 - Company indicated it will not resolve consumer issues through BBB process.

Sales Practice Issues

Resolved

- 9 - Company resolved the complaint issues. The consumer acknowledged acceptance to BBB.
- 11 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.

Unresolved

- 9 - Company failed to resolve the complaint issues through BBB voluntary and self-regulatory process.

Administratively Closed

- 3 - BBB determined the company provided proper verification that indicated there was no obligation to resolve the issues of the complaint.

No Response

- 5 - Company failed to respond to BBB to resolve or address the complaint issues.

Delivery Issues

Resolved

- 3 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.

Administratively Closed

- 1 - BBB determined the company provided proper verification that indicated there was no obligation to resolve the issues of the complaint.

No Response

- 3 - Company failed to respond to BBB to resolve or address the complaint issues.

Service Issues

Resolved

- 1 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.

Administratively Closed

- 1 - BBB determined the company provided proper verification that indicated there was no obligation to resolve the issues of the complaint.

Customer Service Issues

Resolved

- 5 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.

Unresolved

- 1 - Company failed to resolve the complaint issues through BBB voluntary and self-regulatory process.

Administratively Closed

- 1 - BBB determined the company provided proper verification that indicated there was no obligation to resolve the issues of the complaint.

Guarantee or Warranty Issues

Resolved

- 2 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.

No Response

- 1 - Company failed to respond to BBB to resolve or address the complaint issues.

Product Issues

Resolved

- 1 - Company resolved the complaint issues. The consumer acknowledged acceptance to BBB.
- 7 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.

Unresolved

- 2 - Company failed to resolve the complaint issues through BBB voluntary and self-regulatory process.

Refund or Exchange Issues

Resolved

- 7 - Company resolved the complaint issues. The consumer acknowledged acceptance to BBB.
- 27 - Company addressed the complaint issues. The consumer failed to acknowledge acceptance to BBB.
- 1 - Company resolved the complaint issues, but not within BBB's timeframe.

Unresolved

- 12 - Company failed to resolve the complaint issues through BBB voluntary and self-regulatory process.

Administratively Closed

- 2 - BBB determined the company provided proper verification that indicated there was no obligation to resolve the issues of the complaint.

No Response

- 19 - Company failed to respond to BBB to resolve or address the complaint issues.

Government Actions

The following describes a government action that has been resolved by either a settlement or a decision by a court or administrative agency. If the matter is being appealed, it will be noted below.

On December 17, 2010 Service Alberta Issued a Directors Order against 1021018 Alberta Ltd. O/A Just Think Media and Jesse Willms.

ISSUE

1021018 Alberta Ltd., aka Just Think Media, is an Alberta company based in Sherwood Park. In 2009 and 2010, the supplier advertised offers on the Internet to sell various products, including teeth whitening pens. These were sold under names including "Dazzle White Pro", "Dazzle Smile Pro", and "Premium White". Their websites offered trials wherein the consumer could receive the product by paying only the shipping cost. The shipping costs varied from about US\$1 to \$5 based on the product and the day. Consumers would be directed to these pages through e-mail solicitation and advertising links on popular websites.

Consumers who signed up for the trial were automatically enrolled for ongoing shipments and billings unless they contacted the company to cancel. In addition, if they did not cancel their order within fourteen days and return the trial product, the consumer would be charged full price for the trial. Service Alberta received numerous complaints from consumers who attempted to cancel the charges and were refused by the supplier. Several of these consumers provided documents showing they did not receive a proper copy of the Internet sales contract, as required by the Internet Sales Contract Regulation ("Regulation"). Those consumers attempted to cancel within the 30 day period allowed when a proper copy of the contract is not sent to the consumer. Even where these rights were exercised properly, the consumers did not receive a refund within 15 days of cancellation, as required. In at least one reported case, the company continued to charge a consumer for a mouth tray that was an "up sell" to the original contract even after the original contract was cancelled and refunded.

Upon being contacted by Service Alberta, legal counsel for 1021018 Alberta Ltd. responded by stating terms and conditions were clearly listed on the websites, but issued refunds to specific complainants at that point, stating in at least one case this was made "in good faith". When expressly questioned about what the company will do to comply with the Regulation, the legal counsel did not directly respond to the issue, and instead indicated their client will no longer be offering teeth whitening offers online. The Director is aware the specific products involved in these complaints are no longer sold by 1021018 Alberta Ltd. and each of the consumers involved in the specific complaints leading to this order have received their money back. Nevertheless, it is believed there is a significant likelihood this company and its director continue to be involved in Internet commerce and are therefore responsible to comply with the Regulation on an ongoing basis. In addition, several consumers were only refunded after Service Alberta contacted the company's legal counsel about their complaint. As such, the Director believes these consumers were only refunded because a government body was getting involved, and not out of an intent to comply with the Regulation.

LEGISLATION

The following sections are excerpts from the Internet Sales Contract Regulation:
Cancellation of Internet sales contract

- 6(1) A consumer may cancel an Internet sales contract in the following circumstances:
- (a) at any time from the date the contract is entered into until 7 days after the consumer receives a copy of the contract if
 - (i) the supplier does not disclose to the consumer the information described in section 4(1)(a), or

- (ii) the supplier does not provide to the consumer an express opportunity to accept or decline the contract or to correct errors immediately before entering into it;
- (b) within 30 days from the date the contract is entered into if the supplier does not provide the consumer with a copy of the contract pursuant to section 5.

Notice of cancellation

- 8(1) An Internet sales contract is cancelled under section 6 on the giving of a notice of cancellation in accordance with this section.
- (2) A notice of cancellation may be expressed in any way as long as it indicates the intention of the consumer to cancel the Internet sales contract.
- (3) The notice of cancellation may be given to the supplier by any means, including, but not limited to, personal service, registered mail, telephone, courier, facsimile and e-mail.

Effect of cancellation

- 9(1) A cancellation of an Internet sales contract under section 6 operates to cancel the contract as if the contract had never existed.
- (2) A cancellation of an Internet sales contract under section 6 also operates to cancel
 - (a) any related consumer transaction,
 - (b) any guarantee given in respect of consideration payable under the contract, and
 - (c) any security given by the consumer or a guarantor in respect of consideration payable under the contract, as if the contract had never existed.

Responsibilities on cancellation

- 10(1) If an Internet sales contract is cancelled under section 6, the supplier must, within 15 days from the date of cancellation, refund to the consumer all consideration paid by the consumer under the contract and any related consumer transaction, whether paid to the supplier or another person.

ORDER

* 1021018 Alberta Ltd. o/a Just Think Media must comply with the Internet Sales Contract Regulation by ensuring all consumers who cancel contracts where cancellation rights exist under the Regulation are refunded in full within 15 days of cancellation.

* Jesse Willms, either in his own capacity or when acting on behalf of a corporation in which he has an interest or by which he is employed, must comply with the Internet Sales Contract Regulation by ensuring all consumers cancelling contracts where cancellation rights exist under the Regulation are refunded in full within 15 days of cancellation.

* Any employee, representative, agent or associate of Jesse Willms and/or 1021018 Alberta Ltd. o/a Just Think Media must comply with the Internet Sales Contract Regulation by ensuring all consumers cancelling contracts where cancellation rights exist under the Regulation are refunded in full within 15 days of cancellation.

Advertising Review

Though the company's website states "Our Offers Are Truly Limited" and a timer counts down on the website, there has been no evidence of the offer ever expiring.

It should also be noted that the company's websites often have improperly linked seal and security images at the bottom of their websites. These security images should be verifiable by clicking on them. The BBB urges caution if a website has such images that you are not able to interact with.

Please be aware that the website www.janicesteeth.com is promotional website composed of

<http://www.bbb.org/edmonton/business-reviews/health-and-medical-products-scientifically-...> 3/8/2011

advertising fiction.

The website/promotional blog states in its 'terms & conditions' page:

"It is important to note that this blog and the story depicted above is to be used as an illustrative example of what some individuals have achieved with this/these products. This website, and any page on the website, is based loosely off a true story, but has been modified in multiple ways including, but not limited to: the story, the photos, and the comments. Thus, this blog, and any page on this website, are not to be taken literally or as a non-fiction story. This blog, and the results mentioned on this blog, although achievable for some, are not to be construed as the results that you may achieve on the same routine.

I understand this website is only illustrative of what might be achievable from using this/these products, and that the story depicted above is not to be taken literally.

This page receives compensation for clicks on or purchase of products featured on this site."

Additional Information

This company also states that they have an address of:

Vasilissis Freiderikis, 33

1st Floor

P.C. 1066, Nicosia, Cyprus

Industry Tips

Shopping Online

The following is general information on cybershopping.

If you surf the Internet, then you're probably familiar with the terms "digital stores" and "online malls." Thousands of consumers are now taking advantage of the opportunity to shop from the comfort of their homes via personal computers. You can buy anything - clothes, computers, music CDs - you name it! Crowded malls, long lines and parking worries can be a thing of the past. Sounds great? It can be! The BBB offers shoppers the following tips to ensure that your cybershopping experience is a satisfying one:

- If you're interested in trying a new merchant, one that you are not familiar with, ask the merchant for its physical location (address and phone number) so that you can check on its reliability with outside organizations, like BBB and consumer agencies.
- Determine the company's refund and return policies before you place an order.
- Never give out your Internet password. When creating a password, avoid using established numbers, such as your house number, birth date, or your telephone or social insurance numbers. If the site asks you to create an account with a password, never use the same password you use for other accounts or sites.
- Be cautious if you're asked to supply personal information, such as your social insurance number or personal bank account information, to conduct a transaction. Personal information is rarely necessary and should raise a red flag.
- Check the company out with your BBB.
- Pay attention to the "address" of the site - its Uniform Resource Locator (URL). The URL ensures that

<http://www.bbb.org/edmonton/business-reviews/health-and-medical-products-scientifically-...> 3/8/2011

you are dealing with the right company.

- It's a good idea to print out a copy of your order and confirmation number for your records.
- Know your rights. The same laws that protect you when you shop by phone or mail apply when you shop in cyberspace.
- Under the law, a company must ship your order within the time stated in its ads. If no time is promised, the company should ship your order within 30 days after receiving it, or give you an "option notice".
- If you decide to pay by credit card or charge card and you are not comfortable entering your credit or charge card account number online, call it in to the company's 800 number or fax it.
- If someone states that a money transfer is the only form of payment that's acceptable then we strongly recommend rethinking whether you wish to business with them.

BBB Copyright and Reporting Policy

As a matter of policy, BBB does not endorse any product, service or business.

BBB Reliability Reports are provided solely to assist you in exercising your own best judgment. Information in this BBB Reliability Report is believed reliable, but not guaranteed as to accuracy.

BBB Reliability Reports generally cover a three-year reporting period. BBB Reliability Reports are subject to change at any time.

If you choose to do business with this business, please let the business know that you contacted BBB for a BBB Reliability Report.

ID: 153474

Report as of March 8, 2011 12:13

Copyright© 2011 Better Business Bureau

Alberta Trade Name / Partnership Search

Corporate Registration System

Date of Search: 2010/06/22
Time of Search: 10:18 AM
Search provided by: KVP REGISTRATION SERVICES

Service Request No: 14897937
Customer Reference No: 1630815rf

Registration No: TN15307028
Current Business Name: TERRA MARKETING GROUP
Status of Business Name: Active
Trade Name / Trade Name
Partnership Type:
Commencement Date: 2010/04/01 YYYY/MM/DD
Date of Registration: 2010/04/16 YYYY/MM/DD
Type of Business: WEB DESIGNERS, ADVERTISERS, CONSULTING SERVICES AND
MARKETING FOR ECOMMERCE COMPANIES

Current Declarant:

Last/Legal Entity Name: 1524948 ALBERTA LTD.
Street: #2500, 10104 - 103 AVENUE
City: EDMONTON
Province: ALBERTA
Postal Code: T5J 1V3

Other Information:

Filing History:

List Date	Type of Filing
2010/04/16	Register Trade Name

Alberta Registries certifies that the information contained in this search is the most recent information filed in the Register of Corporations.



Alberta Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2010/06/22
Time of Search: 11:05 AM
Search provided by: KVP REGISTRATION SERVICES

Service Request Number: 14898563
Customer Reference Number: 1630817rf

Corporate Access Number: 2015249481
Legal Entity Name: 1524948 ALBERTA LTD.

Legal Entity Status: Active
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2010/03/18 YYYY/MM/DD

Registered Office:

Street: #2500, 10104 - 103 AVENUE
City: EDMONTON
Province: ALBERTA
Postal Code: T5J 1V3

Records Address:

Street: #2500, 10104 - 103 AVENUE
City: EDMONTON
Province: ALBERTA
Postal Code: T5J 1V3

Directors:

Last Name: WILLMS
First Name: JESSE
Street/Box Number: 475, 52328 RANGE ROAD 233
City: SHERWOOD PARK
Province: ALBERTA
Postal Code: T8B 0A2

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A" ATTACHED
 Share Transfers Restrictions: SEE SCHEDULE "B" ATTACHED
 Min Number Of Directors: 1
 Max Number Of Directors: 7
 Business Restricted To: NONE
 Business Restricted From: NONE
 Other Provisions: SEE SCHEDULE "C" ATTACHED

Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
TERRA MARKETING GROUP	TN15307028

Other Information:**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2010/03/18	Incorporate Alberta Corporation
2010/03/24	Change Director / Shareholder

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2010/03/18
Restrictions on Share Transfers	ELECTRONIC	2010/03/18
Other Rules or Provisions	ELECTRONIC	2010/03/18

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.



Aug 17, 2010

888-9707 110 st.
Edmonton AB, T5K 2L9

ATTN: Rayn Fraessi

Dear Mr. Rayn Fraessi

Thank you for taking my call earlier. As discussed, we are looking to address the "F" rating that SwipeBids.com has with the BBB. For this reason we are reaching out to you to assure you that SwipeBids.com has taken the necessary steps to maintain a positive user experience.

You will find attached a presentation that details the features SwipeBids.com has incorporated into the site to ensure a positive user experience, as well as building the integrity of the SwipeBids.com brand. Some of these features include:

- **Strong Disclosures** – Throughout the billing page there are several instances of the final price point clearly marked for the consumer. Additionally the sales funnel does not feature any upsells, or negative option programs.
- **Relaxed Refund Policy** - SwipeBids.com features a very relaxed refund policy. If any user competes and is unable to win an auction, they have 60 days to file for a full refund of their access fee.
- **FTC Compliance** – We have received legal council from two top FTC legal attorneys who have thoroughly reviewed our site. Included is a legal opinion letter from attorney James A. Kaminski.
- **Low Volume of Complaints** – Less than 0.01% of paying customers have filed a complaint with the BBB
- **Support Channels** – Swipebids.com features several ways for users to contact us with their concerns. We have 24/7 live chat, a domestic U.S. based call centre, email support, as well as our VIP email support for our top customers.

I understand your schedule is very busy and I appreciate the time you have taken to read this letter. Unfortunately when SwipeBids.com initially launched, we had no PR plan in place to mitigate the negative comments that are posted about any online business, which we feel has lent to a snowballing of complaints. Ultimately, our goal is to be upfront and clear with all of our consumers and to treat them with dignity and respect. You can be confident that SwipeBids.com is dedicated to this course of action and will continuously work to maintain and improve our public image. If you have any further questions, please don't hesitate to contact me at the below details at any time, as well I would be open to a personal meeting. Additionally, I would be able to setup a call with our outside legal counsel if so desired.

Sincerely,

Hardie Schmitt
Advertising Executive
SwipeBids.com

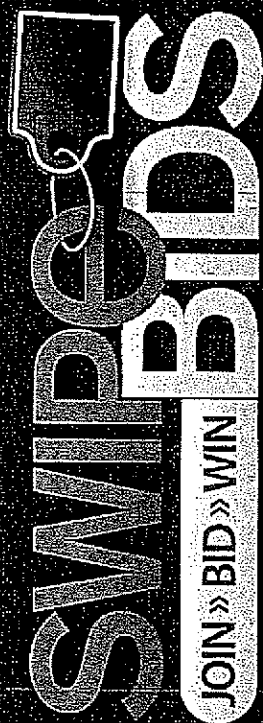
Email: Hardie@swipebids.com

Mobile: 780.224.8171

Brozek Attachment D

**SWIPE
BIDS**
JOIN » BID » WIN

ADVERTISING COMPLIANCE



ADVERTISING COMPLIANCE

TABLE OF CONTENTS

Legal Reviews	2
Legal Opinion Letter	5
Billing Disclosure	8
Complaint Reduction Efforts	11
Brand Protection	15
Thank You	17



ADVERTISING COMPLIANCE | LEGAL REVIEWS

Advertising Legal Reviews

SwipeBids.com has been fully reviewed by two top FTC attorneys, David O. Klein and James A. Kaminski.



ADVERTISING COMPLIANCE | LEGAL REVIEWS

David O. Klein

Areas of Practice

Skilled at counseling clients on a broad range of technology-related matters, David Klein has substantial experience in negotiating and drafting complex licensing, marketing and Internet agreements. He has an in-depth understanding of Internet and new media law and is established as a leader in structuring and implementing major technology agreements.

David also represents telecommunications resellers in all facets of their business, beginning with the requisite state and federal certification, tariffing, and regulatory filing processes, leading to negotiation with underlying carriers and culminating in advice on new service offerings and changes in the regulatory arena.

Professional Activities

David represents clients before the New York State trial and appellate courts, several Federal jurisdictions, the Federal Communications Commission, the Federal Trade Commission, State Public Service Commissions as well as before the American Arbitration Association and other arbitral tribunals.

David speaks and writes extensively on intellectual property and technology issues. He has authored numerous articles for PHONE+ Magazine.

David is admitted to practice in New York and New Jersey, before the US District Court, Southern and Eastern District of New York, and the US District Court in New Jersey.



ADVERTISING COMPLIANCE | LEGAL REVIEWS

James A. Kaminski

James Kaminski ("Jim") has a dynamic national practice that centers on advertising, marketing, and privacy law in addition to other business-related matters. Jim guides clients through regulatory scrutiny and helps them achieve optimal results with the government while maintaining a competitive edge in the marketplace. Jim began his career as a Federal Trade Commission ("FTC") staff attorney and then honed his FTC practice with a large D.C. law firm for several years.

Jim is proud to provide innovative, practical counseling to clients on all aspects of advertising, marketing and privacy law. He regularly reviews advertising and marketing materials in a wide range of media including television, direct mail, telemarketing and mobile and online marketing. He represents clients before federal and state consumer protection agencies, including the FTC and state attorneys general. He frequently challenges competitors and defends his client's advertising at the National Advertising Division, the Children's Advertising Review Unit and the Electronic Retailing Self-Regulatory Program – self-regulatory bodies associated with the National Advertising Review Council and the Council of Better Business Bureaus.

In addition, Jim has significant regulatory expertise with numerous government agencies besides the FTC. For example, Jim has assisted clients by providing compliance advice regarding the U.S. Department of Transportation's hazardous materials regulations. He has also successfully defended clients in front of the Pipeline and Hazardous Materials Safety Administration as well as the Federal Aviation Administration.

Jim is fluent in English, Russian and French. He is obtaining fluency in Polish. Jim's language abilities have allowed him to expand his practice to other areas of the law and serve as an active participant on several projects in Eastern Europe, Russia and Central Asia. Most significantly, in this capacity, Jim has worked on several trademark infringement matters and a criminal investigation. Jim is proud to sit on the Board of the Carpatho-Rusyn Society (C-RS). He chairs the C-RS' Education Committee.

SWIPE &
BIDS
JOIN # BID 2 WIN

ADVERTISING COMPLIANCE | LEGAL OPINION LETTER

Legal Opinion Letter

The following pages contain an opinion letter from attorney James A. Kaminski.

ADVERTISING COMPLIANCE | LEGAL OPINION LETTER

HUGHES & BENTZEN, PLLC

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July 1, 2010

HUGHES & BENTZEN, PLLC, DC, MD
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PHILIP J. BENTZEN, ESQ., DC, MD
CHRISTOPHER W. BENTZEN, ESQ., DC, MD
JAMES A. BENTZEN, ESQ., DC, MD
*NOT ADMITTED IN MARYLAND

OF PRINCEZ
PATRICK D. BENTZEN, ESQ., MD
CHIEF COUNSEL
BOKAVAL, MARYLAND

July 1, 2010
Page 2 of 3

Better Business Bureaus.

The FTC does not have a specific regulation that directs how payment terms must be disclosed on a web site. Instead, the FTC uses its general authority that prohibits deceptive or unfair trade practices to regulate in this area. In sum, the FTC requires full disclosure of the terms of such offers prior to payment. It evaluates whether a disclosure is adequate based on the "clear and conspicuous" standard. In other words, a disclosure must be presented in a clear and conspicuous manner in order to effectively communicate the terms of the offer to the consumer.

The FTC does not specify what exactly constitutes a clear and conspicuous disclosure, i.e., it does not set a font size requirement. Rather, it evaluates the disclosure based on several factors. The factors the FTC uses to evaluate whether online disclosures are clear and conspicuous are described in detail in the FTC's business guidance publication entitled, "Dot Com Disclosures: Information about Online Advertising."¹ The factors include:

- the placement of the disclosure in an advertisement and its proximity to the claim it is qualifying;
- the prominence of the disclosure;
- whether items in other parts of the advertisement distract attention from the disclosure;
- whether the advertisement is so lengthy that the disclosure needs to be repeated;
- whether disclosures in audio messages are presented in an adequate volume and cadence and visual disclosures appear for a sufficient duration; and
- whether the language of the disclosure is understandable to the intended audience. [Emphasis in original.]

Sphere Media, LLC discloses the material terms of its offers in a text box entitled "Membership Details." The text box is located directly next to the point on the site where consumers input their billing and credit card information. Consumers are not required to scroll to view any portion of the term disclosure. The font for the text of that disclosure is actually larger than most of the text on the web site. The disclosure describes the cost

¹ Available at: <http://www.ftc.gov/bcp/opa/2009/08/disclosurebus41.pdf>.

HUGHES & BENTZEN, PLLC

Dear Sir/Madam:

I represent Sphere Media, LLC the owner and operator of the web site "Swipebids.com." This letter addresses how the payment terms are disclosed on the web site and why a regulator would likely find such disclosure compliant with U.S. advertising and marketing laws.

On a preliminary note and as you may know, the attorney-client relationship restricts the type of information that I may relay to you. Nevertheless, I will attempt to provide you with as much information as possible that does not violate my duty to keep such information confidential.

First, please allow me to tell you a little about my professional background. I began my career at the U.S. Federal Trade Commission - the main government entity that has jurisdiction over advertising and marketing materials disseminated over the internet. At the FTC, I litigated in U.S. federal district courts against companies that were allegedly in violation of the FTC Act's prohibition against deceptive or unfair trade practices. As part of my duties, I sat on a committee that coordinated FTC efforts to police the internet and chaired a relevant subcommittee that required me to develop relationships with the state government agencies that enforce advertising and marketing laws.

I left the FTC in 2000 and entered into private practice. As part of my practice, I counsel a diverse client base on various aspects of advertising, marketing and privacy law. I routinely review online advertising and marketing materials for compliance issues. I represent clients before federal and state consumer protection agencies, including the FTC and the state attorneys general. I frequently challenge and defend advertising in front of the National Advertising Division, the Children's Advertising Review Unit and the Electronic Retailing Self-Regulatory Program - self-regulatory bodies associated with the National Advertising Review Council and the Council of



ADVERTISING COMPLIANCE | LEGAL OPINION LETTER

July 1, 2010
Page 3 of 3


involved in purchasing the membership package, currently \$150.00.

Ultimately, the judgment of the FTC or extrinsic evidence (such as consumer perception surveys) would determine whether Sphere Media, LLC's disclosure meets the clear and conspicuous standard. Nevertheless, it is my view that Sphere Media, LLC has strong arguments that the terms are clearly and conspicuously disclosed to consumers.

I hope that you find this information useful. Please be advised that this information is provided to you for informational purposes only. It does not constitute legal advice issued to you and you may not rely on it for that purpose. For such advice, you must consult your own counsel. This letter does not constitute a waiver in any way of the attorney-client privilege.

Please do not hesitate to contact me if you have any questions.

Sincerely,


James A. Kaminski

HUGHS & BRINTZEN, PLLC



ADVERTISING COMPLIANCE | BILLING DISCLOSURE

Billing Disclosure

- ✓ Unlike diet industry, customers are charged up front for their membership, much like Costco or Directbuy.com
- ✓ SwipeBids does not have any upsells or negative option plans in its purchase funnel
- ✓ Membership price is mentioned 5 times on our billing page as shown on the next page

ADVERTISING COMPLIANCE | BILLING DISCLOSURE

SWIPEBIDS
JOIN • BID • WIN

Check Out Some of These
INCREDIBLE SAVINGS
SwipeBids Players Recently Got
Savings Could Be Yours! Access Just \$250 \$159

SwipeBids Access Details
ITEM

SwipeBids Access
(includes 300 Bids)

YOU PAY

53¢ bid
[ESTATE TOTAL]

*all payments non-refundable

ONLY \$159 STARTS YOU ACCESS TO:



MASSIVE SAVINGS ON NEW PRODUCTS!

With SwipeBids, you will have exclusive access to auctions most people don't even know exist - exclusive government and wholesale closeout auctions. Can you afford not to join?

Canon EOS Rebel A1	1000 Bids	\$55.07	\$1,294.82
Apple iPod Classic 160GB		\$21.15	\$422.785
Kindle Fire Wi-Fi "Family Doodle"		\$19.84	\$396.815
Fluorimeter		\$7.80	\$156.00
HP ProBook 4730t		\$71.61	\$1432.20
Motorola R730T Auto GPS		\$22.87	\$457.40

Where Do We Find More Winning Auctions?

INCREDIBLE SAVINGS

Could Be Yours! SwipeBids Access Just \$250 \$159

Shipping Information

First Name _____
Last Name _____
Street Address 1 _____
Street Address 2 _____
City _____
State/Province _____
Country UNITED STATES OF AMERICA (US)
Zip/Postal Code _____
Coupon Code (optional) _____

Payment Information (28 Bit Secure Transaction)

Credit Card Type _____
Credit Card Number _____
Expiry Date 01 - 2010 -
CVV/CVC2 _____

By clicking below you will be charged \$159

Start Bidding

On our SwipeBids
billing/checkout page, the price
of joining is mentioned 5 times,
including directly above the
confirmation button.